



**THOMAS L. GARTHWAITE, M.D.**  
Director and Chief Medical Officer

**FRED LEAF**  
Chief Operating Officer

COUNTY OF LOS ANGELES  
DEPARTMENT OF HEALTH SERVICES  
313 N. Figueroa, Los Angeles, CA 90012  
(213) 240-8101

BOARD OF SUPERVISORS

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June 9, 2005

The Honorable Board of Supervisors  
County of Los Angeles  
383 Kenneth Hahn Hall of Administration  
500 West Temple Street  
Los Angeles, California 90012

Dear Supervisors:

**APPROVAL OF AMENDMENT NO. 1 TO RADIOLOGY SERVICES AGREEMENT  
(COUNTY CONTRACT NO. 74115) WITH ANTELOPE VALLEY HOSPITAL  
(Fifth District) (3 Votes)**

IT IS RECOMMENDED THAT YOUR BOARD:

1. Approve and instruct the Chair to sign Amendment No. 1, substantially similar to Exhibit I, to the Radiology Services Agreement (County Contract No. 74115) with Antelope Valley Hospital to extend the term of the agreement for two months, effective July 1, 2005 through August 31, 2005, for the continued provision of radiology services for the Department of Health Services' primary care, specialty care, and urgent care clinics at the South Valley Health Center, at an estimated net County cost of \$80,000.
2. Authorize and delegate authority to the Director of Health Services, or his designee, to execute an amendment, as necessary, to the Radiology Services Agreement (County Contract No. 74115) with Antelope Valley Hospital to extend the term of the Agreement, effective September 1, 2005 through November 30, 2005, on a month-to-month basis up to three months, for the continued provision of radiology services, at an estimated monthly net County cost of \$40,000, subject to review and approval by County Counsel and notification of the Board of Supervisors.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION:

In approving the recommended actions, the Board is: 1) authorizing the continued provision of radiology services including basic x-ray and x-ray interpretation by Antelope Valley Hospital (AVH) for the Department of Health Services' (DHS or Department) primary care, specialty care, and urgent care clinics at the South Valley Health Center (SVHC) for two additional months through August 31, 2005 and 2) delegating authority to the Director of Health Services to execute an extension amendment in the event an alternative provider has not been secured by DHS for radiology services at SVHC.

AVH had informed DHS that they did not intend to renew the current agreement which will expire on June 30, 2005; however, AVH has now agreed to extend the current agreement for two months to reduce the impact on services at SVHC while DHS seeks alternative providers for radiology services.

The Department has contracted for these radiology services under provisions of County Code 2.121.250 et. seq., "Contracting with Private Business" (Proposition A) under Proposition A guidelines. Contracting for these services was determined to be cost effective, since if DHS were to provide the radiology imaging services and professional interpretation, the County would have to purchase the necessary equipment and hire radiology technicians and radiologists for the DHS clinics at SVHC.

Existing County policy and procedures require the timely submission of contracts for Board approval. However, the Department was unable to schedule this action for placement on the Board's agenda three weeks prior to the effective date of the recommended amendment due to delays encountered in negotiations with AVH regarding the feasibility of a contract renewal or short-term extension.

FISCAL IMPACT/FINANCING:

The estimated total net County cost during the extension period, from July 1, 2005 through August 31, 2005, is \$80,000. Funding for this contract is included in the Fiscal Year 2005-06 Proposed Budget.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS:

The Antelope Valley Hospital District (District) constructed the South Valley Medical Center (SVMC) in East Palmdale to support the expansion of ambulatory care services in the South Antelope Valley area. This project was part of a partnership between the District and DHS to expand access to medical services. A portion of the SVMC facility is leased to the County at no cost to house the DHS' SVHC. The SVHC is operated by High Desert Health System (HDHS),

formerly High Desert Hospital, and provides primary care, speciality, and urgent care services. AVH constructed, equipped, and operates a radiology suite at the SVMC site.

To support the DHS clinics with on-site radiology services, AVH was identified by the Department as a sole source provider of these services due to the following: 1) AVH had acquired and implemented digital radiology technology supported by a Picture Archiving and Communication System (PACS) and a Radiology Information System (RIS) which stores the digital images, 2) AVH's ability to provide for remote STAT interpretation, and 3) AVH's ability to provide the services with a short start-up time that would not prolong the initiation of the urgent care services.

On June 25, 2002, the Board approved an agreement with AVH for the provision of radiology services including basic x-ray and x-ray interpretation services for DHS' primary care, specialty care, and urgent care clinics at SVHC effective July 1, 2002 through June 30, 2005. The Agreement was the result of non-competitive negotiations under County Code Section 2.121.350.

AVH has elected not to continue providing radiology services under the current agreement due to recent difficulties they have had providing required staffing coverage. Radiology technologists have become increasingly difficult to recruit and retain. To provide the services under the current agreement, AVH has had to utilize radiology technologists from AVH's acute hospital, which they do not wish to continue doing.

DHS is actively seeking alternative providers for radiology services and plans to return to the Board shortly to request approval of a new contract provider that is capable of providing staff and services in the remote geographical location currently served by the SVHC. In the event the Department has not secured an alternative provider prior to August 31, 2005, DHS will return to AVH and request that they accept an additional extension amendment to continue providing services on a month-to-month basis. However, if AVH decides not to continue providing services on a month-to-month basis, the Department may need to refer patients to HDHS for services until a contract can be negotiated and Board approval obtained.

Attachment A provides additional information.

The attached amendment has been approved as to form by County Counsel.

#### CONTRACTING PROCESS

Not applicable. It is not appropriate to advertise amendments on the Los Angeles County Online Website as a business/contract opportunity.

The Honorable Board of Supervisors  
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IMPACT ON CURRENT SERVICES (OR PROJECTS)

The recommended amendment will allow AVH to continuing providing on-site radiology services for two additional months and reduce the impact on services while DHS seeks alternative providers for radiology services for SVHC.

When approved, this Department requires three signed copies of the Board's actions.

Respectfully submitted,



Thomas L. Garthwaite, M.D.  
Director and Chief Medical Officer

TLG:ma

Attachments (2)

c: Chief Administrative Officer  
County Counsel  
Executive Officer, Board of Supervisors

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**SUMMARY OF AGREEMENT**

1. **TYPE OF SERVICES:**

The Agreement provides radiology services (basic x-ray and x-ray interpretation) to support Department of Health Services' South Valley Health Center which provides primary care, specialty, and urgent care services.

2. **AGENCY INFORMATION:**

Antelope Valley Hospital  
1600 West Avenue J  
Lancaster, California 93534  
Attention: Mr. Rick Rowe, Director of Pharmacy and Radiology  
Telephone: (661) 949-5733  
Facsimile (FAX) Number: (661) 951-4242

3. **TERM OF AGREEMENT(S):**

The term of the Agreement is July 1, 2002 through June 30, 2005. The recommended amendment will extend the term of the contract effective July 1, 2005 through August 31, 2005.

4. **FINANCIAL INFORMATION:**

The estimated total net County cost during the extension period, from July 1, 2005 through August 31, 2005, is \$80,000. Funding for this contract is included in the Fiscal Year 2005-06 Proposed Budget.

5. **GEOGRAPHIC AREA TO BE SERVED:**

South Antelope Valley.

6. **DESIGNATED ACCOUNTABLE FOR PROJECT MONITORING:**

Administrative and clinical staff at High Desert Health System.

7. **APPROVALS:**

High Desert Health System:	Beryl Brooks, Chief Executive Officer
Contract and Grants Division:	Cara O'Neill, Chief
County Counsel (approval as to form):	Sharon A. Reichman, Principal Deputy County Counsel

Contract No. 74115-1

RADIOLOGY SERVICES AGREEMENT

AMENDMENT NO. 1

THIS AMENDMENT is made and entered into this \_\_\_\_\_ day  
of \_\_\_\_\_, 2005,

by and between COUNTY OF LOS ANGELES (hereafter  
"County"),

and SOUTH ANTELOPE VALLEY HEALTH  
CENTER (hereafter "Contractor").

WHEREAS, reference is made to that certain document entitled  
"RADIOLOGY SERVICES AGREEMENT", dated July 1, 2002, further  
identified as County Agreement No. 74115 (hereafter "Agreement")  
and;

WHEREAS, Agreement is slated to expire on June 30, 2005, and  
it is the desire of the parties to extend the term of Agreement,  
and to make other hereafter described changes; and

WHEREAS, the Agreement provides that changes may be made in  
the form of a written amendment which is formally approved and  
executed by both parties.

NOW, THEREFORE, the parties hereby agree as follows:

1. This Amendment shall become effective July 1, 2005.

2. Paragraph 1, TERM AND TERMINATION, Subparagraph A, of the body of Agreement shall be amended to read as follows:

"A. The term of this Agreement shall commence on July 1, 2002, and, unless sooner cancelled or terminated as provided herein, shall continue in full force and effect to and including August 31, 2005. In any event, either party may terminate this Agreement at any time, for any reason, with or without cause, by providing at least thirty (30) calendar days' prior written notice thereof to the other party."

3. Except for the changes set forth hereinabove, Agreement shall not be changed in any other respect by this Amendment.

IN WITNESS WHEREOF, the Board of Supervisors of the County of Los Angeles has caused this Amendment to be subscribed by its

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Chair and Contractor has caused this Amendment to be subscribed in its behalf by its duly authorized officer, the day, month, and year first above written.

COUNTY OF LOS ANGELES

By: \_\_\_\_\_  
Chair, Board of Supervisors

*Phil Wong*  
Contractor

ATTEST:

VIOLET VARONA-LUKENS, Executive  
Officer of the Board of  
Supervisors of the County of Los  
Angeles

By: *Les Wong*

Title: *C.E.O.*  
(Affix Corporate Seal)

By: \_\_\_\_\_  
Deputy

APPROVED AS TO FORM  
BY THE OFFICE OF THE COUNTY COUNSEL

By: *Sharon A. Reichman*  
Deputy

APPROVED AS TO CONTRACT  
ADMINISTRATION:

Department of Health Services

By: *Cara O'Neill*  
Cara O'Neill, Chief  
Contracts and Grants  
Division



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ma: 06/07/05